

# **Co-operative Press Limited**

**Directors' Report &  
Accounts**

**Year ended 29<sup>th</sup> February 2012**

# **Statement of Aims**

## **VISION**

- To be the best news service and forum in the co-operative, mutual and social enterprise sectors

## **MISSION STATEMENT**

- To provide a sustainable, high quality co-operative news service
- To provide a forum for debate and discussion
- To serve our colleagues, members and affiliates from all sectors of enterprise and geographical regions with fair and honest high quality news and information
- To promote the growth of the co-operative, mutual and social enterprise sectors in all we do
- To provide a valued service to meet the needs and expectations of our key stakeholders

## **PURPOSE**

- To promote the co-operative, mutual and social enterprise sectors

## **ROLE**

- To provide news, views, opinion, features, discussions and debates for the co-operative, mutual and social enterprise sectors
- To celebrate our co-operative and mutual advantage, reinforcing our message to those inside and promoting it to those outside the movement

## **VALUES AND PRINCIPLES**

- Professional
- Fair, balanced and diverse
- Leading and developing
- Pro-active and entrepreneurial

**Registration number 1585R**

**Co-operative Press Limited**  
**Directors' report and financial statements**  
**for the year ended 29th February 2012**



## **Co-operative Press Limited**

### **Society information**

Directors	<b>E Holmes (Chair)</b> <b>E Dean (Vice-Chair)</b> <b>J Barnes</b> <b>D Pownall</b> <b>J King</b> <b>T Morton</b> <b>J Boot</b> <b>M Tranter</b> <b>R Bickle</b> <b>C Fegan</b>	- Elected by members of Co-operative Press Ltd - Midlands Co-operative Society - Co-operative Group Board - Co-operative Group Board - Co-operative Group - Regional Representative - Co-operative Group - Regional Representative - The Midcounties Co-operative - Lincolnshire Co-operative Society - Co-opted to the Board - Co-opted to the Board
Secretary	<b>R Henderson</b>	
Society number	<b>1585R</b>	
Registered office	<b>Holyoake House</b> <b>Hanover Street</b> <b>Manchester</b> <b>M60 0AS</b>	
Auditors	<b>Robinsons</b> <b>Design Works</b> <b>William Street</b> <b>Felling</b> <b>Tyne and Wear</b> <b>NE10 0JP</b>	
Bankers	<b>The Co-operative Bank plc</b> <b>1 Balloon Street</b> <b>Manchester</b> <b>M60 4EP</b>	

**Co-operative Press Limited**

**Agenda for the 2012 Annual General Meeting**

**Annual General Meeting to be held at 4:00pm on Saturday 26 May 2012 in the Scott Bader Room at  
Co-operatives UK, Holyoake House, Hanover Street, Manchester, M60 0AS.**

1. Minutes of the 2011 Annual General Meeting.
2. Directors' Report for the year ended 29 February 2012.
3. Auditors' Report and Financial Statements for the year ended 29 February 2012.
4. Dividend on Share Capital - to consider and, if thought fit, to approve the following resolution: "It is resolved that no dividend be paid on share capital for the year ended 29 February 2012".
5. Directors' Fees - to consider and, if thought fit, to approve the following resolution: "It is resolved that the directors' fees remain at the same level for the next twelve months, namely: Chair - £600 per annum, Other Directors - £500 per annum".
6. Reappointment of Auditors - to consider and, if thought fit, to approve the following resolution: "It is resolved that Robinsons be reappointed as auditors of the Society to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which financial statements are laid before the Society at a remuneration to be fixed by the directors".
7. Resolution and amendments:-

## **Co-operative Press Limited**

### **Minutes of the 2011 Annual General Meeting**

**held at 5:15pm on Saturday 25 June 2011 in the Norfolk Suite at  
Hilton Metropole Hotel, National Exhibition Centre, Birmingham, B40 1PP.**

1. E Holmes took the chair and announced the requisite quorum was present.

2. **Minutes of the 2010 Annual General Meeting**

IT WAS RESOLVED THAT the minutes of the Annual General Meeting held on 26 June 2010 be accepted as a correct record.

3. **Directors' Report for the year ended 28 February 2011**

IT WAS RESOLVED THAT the report of the directors for the year ended 28 February 2011, now laid before the meeting, be received and approved.

4. **Auditors' Report and Financial Statements for the year ended 28 February 2011**

IT WAS RESOLVED THAT the report of the auditors and the financial statements for the year ended 28 February 2011, now laid before the meeting, be received and approved.

5. **Dividend on Share Capital**

IT WAS RESOLVED THAT no dividend be paid for the year ended 28 February 2011.

6. **Directors' Fees**

IT WAS RESOLVED THAT the directors' fees are to remain at the same level for the following year.

The following amendment to Agenda Item 6 had been received:-

"Add at end"

*"subject to a Code of Conduct based on Best Practice being produced regarding Directors responsibilities, collectively and individually, to members, including communication with members."*

The directors accepted the spirit of the amendment and it was agreed that the Co-operatives UK Code of Best Practice would be implemented in respect of the points raised by the amendment.

7. **Reappointment of Auditors**

IT WAS RESOLVED THAT the resolution to reappoint Robinsons as auditors of the society and to hold office until the conclusion of the next Annual General Meeting at which financial statements are laid before the society at a renumeration to be fixed by the directors be approved."

8. **Resolution and amendments**

1. "That Rule 31e be deleted". Proposer: George Conchie

Rule 31e states: "At its discretion, the Board may co-opt two additional directors." The Board did not accept this amendment and it was rejected by the meeting.

2. "That all directors of Press Board shall be individual members". Proposer: George Conchie

The Board accepted the sentiment of the amendment but were advised that under the rules the society could not impose an individual membership requirement on Board members who were appointed by the Corporate Members of Co-operative Press. The Board did not accept this amendment and it was rejected by the meeting.

9. There being no further business the chairman declared the meeting closed.

## **Co-operative Press Limited**

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## **Co-operative Press Limited**

### **Directors' report for the year ended 29 February 2012**

The directors present their report and the financial statements for the year ended 29 February 2012.

#### **Principal activity**

The principal activities of the society, together with other relevant information, is recorded in the Statement of Aims section of these financial statements.

#### **Directors**

The directors who served during the year are as stated below:

<b>E Holmes (Chair)</b>	- Elected by members of Co-operative Press Ltd
<b>E Dean (Vice-Chair)</b>	- Midlands Co-operative Society
<b>M Alder</b>	- The Midcounties Co-operative
<b>J Boot</b>	- The Midcounties Co-operative
<b>J Barnes</b>	- Co-operative Group Board
<b>D Pownall</b>	- Co-operative Group Board
<b>J King</b>	- Co-operative Group - Regional Representative
<b>T Morton</b>	- Co-operative Group - Regional Representative
<b>M Tranter</b>	- Lincolnshire Co-operative Society
<b>G Day</b>	- Co-opted to the Board
<b>C Fegan</b>	- Co-opted to the Board
<b>R Bickle</b>	- Co-opted to the Board

M Alder acted as Vice-Chair until his resignation in June 2011 when E Dean took up that role. J Boot was appointed in June 2011 and G Day retired in June 2011. Following last year's elections we co-opted two individual members (C Fegan and R Bickle who were both appointed in September 2011) with special knowledge of smaller co-operatives, publishing and research. We maintain a policy of leaving editorial judgements to our professional editor but an editorial subcommittee has been appointed to deal with any matters he may wish to refer to us. A staffing subcommittee has also been appointed to deal with succession and recruitment. Our accountancy service is provided by Co-operatives UK and our society secretary is R Henderson.

#### **Business review**

After two successive years of reporting a loss it is a relief to be reporting a small profit in the year that we celebrated 140 years of continuous publication. While the problems created by our loss of the traditional food advertising have not been overcome we have been able to increase the advertising and sponsorship from the movement and the bulk purchasing of papers has continued to sustain us. There has been no significant increase in individual subscriptions and we did not proceed with the experiment in sales to the public through store sales. Our funds invested in other co-operative societies continue to bring us a useful income.

#### **Strategy for Change**

Since the Report of the Co-operative Commission 2001 we have been following the advice of the Commission to broaden the editorial content of The News "so that it encompasses and supports the wider movement". We have tried to do this with two full time journalists (Dave Bowman and Anthony Murray) and three specialist regular freelance writers (Paul Gosling (finance), Kevin McGrother (the social economy) and Susan Press (profiles of co-operators)). Following our submission to the Co-operative Group National Values and Principles Committee to secure funding for the next three years of our development we have recruited a Website Curator, a Sales and Marketing Manager for the wider co-operative sector and an Operative to run the International Co-operative Alliance e-digest. It is now possible to read The News online on the day of publication and we continue to develop online expansion of our news service. We are especially mindful of the fact the new Co-operative Group headquarters building will be a paperless office.

# **Co-operative Press Limited**

## **Directors' report for the year ended 29 February 2012**

..... continued

### **International Year for Co-operation 2012**

We have been privileged to provide a service to the international movement during this important year and we are confident that we will continue to play a permanent role in providing a worldwide news service.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Industrial and Provident Society law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Also under that law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the profit or loss of the society for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

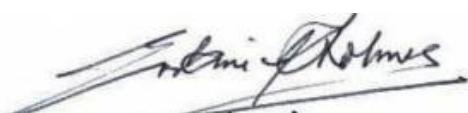
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

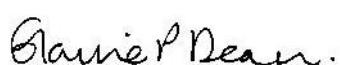
- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on 26 April 2012 and signed on its behalf by



**E Holmes (Chair)**  
Director



**E Dean (Vice-Chair)**  
Director



**R Henderson**  
Secretary

**Independent auditor's report to the members of  
Co-operative Press Limited**

We have audited the financial statements of Co-operative Press Limited for the year ended 29 February 2012 which comprise the Revenue Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the society's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 29 February 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Industrial and Provident Societies Act 1965 to 2002.

**Independent auditor's report to the members of  
Co-operative Press Limited**

**Opinion on other matter prescribed by the Industrial and Provident Societies Act 1965 to 2002.**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Act 1965 to 2002 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small societies regime.

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**Bryan Howarth BSc ACA (senior statutory auditor)**

**For and on behalf of Robinsions  
Chartered Accountants and  
Registered Auditors**

**Dated: 26 April 2012**

**Design Works  
William Street  
Felling  
Tyne and Wear  
NE10 0JP**

**Co-operative Press Limited**

**Revenue account  
for the year ended 29 February 2012**

<b>Continuing operations</b>			
		<b>2012</b>	<b>2011</b>
	Notes	£	£
<b>Turnover</b>	<b>2</b>	<b>311,365</b>	273,068
Cost of sales		(232,689)	(223,626)
		—————	—————
<b>Gross profit</b>		<b>78,676</b>	49,442
Administrative expenses		(88,597)	(73,887)
		—————	—————
<b>Operating loss</b>	<b>3</b>	<b>(9,921)</b>	(24,445)
Other interest receivable & similar income		14,278	16,191
		—————	—————
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>4,357</b>	(8,254)
Tax on profit/(loss) on ordinary activities		-	-
		—————	—————
<b>Profit/(loss) for the year</b>	<b>13</b>	<b>4,357</b>	(8,254)
		—————	—————

There are no recognised gains or losses other than the profit or loss for the above two financial years.

**The notes on pages 7 to 11 form an integral part of these financial statements.**

**Co-operative Press Limited**

**Balance sheet  
as at 29 February 2012**

		<b>2012</b>	<b>2011</b>
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	7	6,353	9,765
Investments	8	<b>125,041</b>	324,683
		<hr/> <b>131,394</b>	<hr/> 334,448
<b>Current assets</b>			
Debtors	9	28,571	26,212
Investments	10	<b>278,329</b>	52,313
Cash at bank & in hand		<hr/> <b>47,467</b>	<hr/> 67,592
		<hr/> <b>354,367</b>	<hr/> 146,117
<b>Creditors: amounts falling due within one year</b>	11	<b>(39,044)</b>	<hr/> (38,485)
<b>Net current assets</b>		<hr/> <b>315,323</b>	<hr/> 107,632
<b>Total assets less current liabilities</b>		<b>446,717</b>	442,080
<b>Net assets</b>		<hr/> <b>446,717</b>	<hr/> 442,080
<b>Capital and reserves</b>			
Called up share capital	12	61,729	61,449
Profit & loss account	13	<b>384,988</b>	<hr/> 380,631
<b>Shareholders' funds</b>		<hr/> <b>446,717</b>	<hr/> 442,080
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small societies.

The financial statements were approved by the Board on 26 April 2012 and signed on its behalf by

E Holmes (Chair)  
Director

E Dean (Vice-Chair)  
Director

R Henderson  
Secretary

**The notes on pages 7 to 11 form an integral part of these financial statements.**

## **Co-operative Press Limited**

### **Notes to the financial statements for the year ended 29 February 2012**

..... continued

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The society has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small society.

##### **1.2. Turnover**

Turnover in respect of sales of the Co-op News is accounted for on an accruals basis. Turnover in respect of advertising and sponsorship represents the amounts invoiced for spaces reserved in the Co-op News during the year and is recognised as income when the advert is featured in the publication. All income is shown exclusive of value added tax.

##### **1.3. Tangible fixed assets & depreciation**

All fixed assets are initially recorded at cost. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures & office equipment -	20% straight line
Motor vehicles -	25% straight line

##### **1.4. Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value. Current asset investments are at the lower of cost and net realisable value. Investment income is accounted for on an accruals basis.

##### **1.5. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the society during the year.

##### **1.6. Deferred taxation**

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### **1.7. Financial instruments**

Financial instruments are classified and accounted for, according to the substance of contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Co-operative Press Limited**

**Notes to the financial statements  
for the year ended 29 February 2012**

**2. Turnover**

The total turnover of the society for the year has been derived from its principal activity wholly undertaken in the UK.

**3. Operating loss**

	<b>2012</b>	<b>2011</b>
	£	£

Operating loss is stated after charging:

Depreciation and other amounts written off tangible assets	4,643	5,466
Auditors' remuneration (Note 4)	5,650	5,400

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**4. Auditors' remuneration**

	<b>2012</b>	<b>2011</b>
	£	£

Auditors' remuneration - audit of the financial statements

4,000

3,800

Auditors' remuneration - other fees:

- taxation services

1,650

1,600

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**5. Directors' remuneration**

	<b>2012</b>	<b>2011</b>
	£	£

Directors' fees

3,534

3,100

Meeting expenses

6,816

8,536

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**6. Pension costs**

The society operates a defined contribution pension scheme in respect of 2 (2011 - 2) members of staff. The scheme and its assets are held and administered separately by C.I.S. The pension charge represents contributions due from the society and amounted to £7,477 (2011 - £6,709). Included in this amount is an amount of £228 (2011 - £228) representing continuing payments granted by the Board of Directors. Additionally, a Group Stakeholder Pension is available to all current staff members, also administered by C.I.S., but with no employer contributions payable.

**Co-operative Press Limited**

**Notes to the financial statements  
for the year ended 29 February 2012**

..... continued

		<b>Fixtures &amp; office equipment</b>			<b>Motor vehicles</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>		
<b>7.</b>	<b>Tangible fixed assets</b>					
	<b>Cost</b>					
	At 1 March 2011		42,576	13,806		<b>56,382</b>
	Additions		1,231	-		<b>1,231</b>
	Disposals		(23,446)	-		<b>(23,446)</b>
	<b>At 29 February 2012</b>		<b>20,361</b>	<b>13,806</b>		<b>34,167</b>
	<b>Depreciation</b>					
	At 1 March 2011		34,604	12,013		<b>46,617</b>
	On disposals		(23,446)	-		<b>(23,446)</b>
	Charge for the year		2,850	1,793		<b>4,643</b>
	<b>At 29 February 2012</b>		<b>14,008</b>	<b>13,806</b>		<b>27,814</b>
	<b>Net book values</b>					
	<b>At 29 February 2012</b>		<b>6,353</b>	<b>-</b>		<b>6,353</b>
	At 28 February 2011		<b>7,972</b>	<b>1,793</b>		<b>9,765</b>
<b>8.</b>	<b>Fixed asset investments</b>	<b>Co-op Group shares</b>	<b>Gilsland Spa Limited loan</b>	<b>Chelmsford Star Co-op Society Ltd</b>	<b>Other Industrial &amp; Provident Society shares</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Cost</b>					
	At 1 March 2011	14,379	200,000	100,000	10,304	<b>324,683</b>
	Additions	-	-	-	358	<b>358</b>
	Transfer to Current Assets	-	(200,000)	-	-	<b>(200,000)</b>
	<b>At 29 February 2012</b>	<b>14,379</b>	<b>-</b>	<b>100,000</b>	<b>10,662</b>	<b>125,041</b>
	<b>Net book values</b>					
	<b>At 29 February 2012</b>	<b>14,379</b>	<b>-</b>	<b>100,000</b>	<b>10,662</b>	<b>125,041</b>
	At 28 February 2011	<b>14,379</b>	<b>200,000</b>	<b>100,000</b>	<b>10,304</b>	<b>324,683</b>
<b>9.</b>	<b>Debtors</b>				<b>2012</b>	<b>2011</b>
					<b>£</b>	<b>£</b>
	Trade debtors				<b>20,840</b>	18,238
	Other debtors				<b>7,731</b>	7,974
					<b>28,571</b>	26,212

**Co-operative Press Limited**

**Notes to the financial statements  
for the year ended 29 February 2012**

..... continued

<b>10. Current asset investments</b>	<b>2012</b>	<b>2011</b>
	£	£
Co-operative Group Limited - Corporate Investor Shares (at call)	<b>28,329</b>	52,313
Co-operative Group Limited - Corporate Investor Shares (fixed)	<b>50,000</b>	-
Loan to Gilsland Spa Limited (unsecured)	<b>200,000</b>	-
	<hr/>	<hr/>
	<b>278,329</b>	52,313
	<hr/>	<hr/>

<b>11. Creditors: amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
	£	£
Trade creditors	<b>10,159</b>	8,611
V.A.T.	<b>4,054</b>	1,074
Social security & other taxes	<b>4,954</b>	4,722
Accruals & deferred income	<b>19,877</b>	24,078
	<hr/>	<hr/>
	<b>39,044</b>	38,485
	<hr/>	<hr/>

<b>12. Share capital</b>	<b>2012</b>	<b>2011</b>
	£	£
At 1 March 2011	<b>61,449</b>	59,299
Movement during the year - net	<b>280</b>	2,150
	<hr/>	<hr/>
	<b>61,729</b>	61,449
	<hr/>	<hr/>

All of the above shares represent equity shares. Shares are transferable but not withdrawable.

From the date of the society's incorporation until 29 July 2004 the society's members were corporate members only. The nominal value of the shares until that date was £0.10 per share with a minimum shareholding of five shares and a maximum shareholding as permitted by law. After 29 July 2004 membership was also offered to individuals. The nominal value of the shares after this date was £10.00 per share with a minimum shareholding of one share and a maximum shareholding as permitted by law.

Each member is entitled to one vote by virtue of membership, one vote for every £50 or part thereof of share capital and one vote for every £100 or part thereof of purchases made from the society for the previous year calculated in line with regulations laid down by the directors from time to time.

If in the event of a solvent winding up of the society there remain, after all liabilities have been settled and the repayment of paid-up share capital, any assets whatsoever, such assets will be transferred to one or more societies in membership with Co-operatives UK Limited having the same or similar rule provisions as regards surplus distribution as the rules of the society as may be determined by the members at any ordinary or special meeting. If not so transferred, the assets will be transferred to Co-operatives UK Limited.

## **Co-operative Press Limited**

### **Notes to the financial statements for the year ended 29 February 2012**

..... continued

#### **13. Reserves**

	<b>Revenue account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 March 2011	380,631	<b>380,631</b>
Profit for the year	4,357	<b>4,357</b>
<b>At 29 February 2012</b>	<b>384,988</b>	<b>384,988</b>

#### **14. Related party transactions**

The society's members include consumer co-operative societies and trade unions who, in aggregate, own the majority of shares with rights attaching as described in Note 12. Due to the nature of the society's operations, transactions take place with these organisations at arms length on normal trading terms.

The society's members include Co-operative Group Limited. The total sales to Co-operative Group Limited during the year was £151,059 (2011 - £147,468). At the balance sheet date an amount of £8,441 (2011 - £8,307) remained recoverable and is included within debtors.

The society's also trades with its other members. The total sales to other members during the year was £101,529 (2011 - £61,459). At the balance sheet date an amount of £6,408 (2011 - £2,953) remained recoverable and is included within debtors.

Financial Reporting Standards relevant to the society require disclosure of any entity which exercises significant control over the society. For this purpose, significant control represents 20% or more of the voting rights. Co-operative Group Limited has voting rights of 59% (2011 - 65%) although votes are cast by Co-operative Group Regions on an individual basis the largest of which is 11% (2011 - 11%).

The Board of Directors comprises four representatives nominated from Co-operative Group Limited and one nominated from Co-operatives UK Limited. In addition, there are six other possible appointments who are selected by ballot based on voting rights allocated in accordance with the Rules.

Co-operatives UK Limited provides accounting services to the society. The fee for the year was £24,100 (2011 - £23,310). The balance owed by and to Co-operatives UK Limited at the balance sheet date were £14 and £3,296 respectively (2011 - £987 and £2,702 respectively) and are included within debtors and creditors respectively.



**Co-operative Press Limited**

**The following pages do not form part of the statutory financial statements.**

**Co-operative Press Limited**

**Detailed trading profit and loss account and expenses schedule  
for the year ended 29 February 2012**

	<b>2012</b>	<b>2011</b>
	£	£
<b>Turnover</b>		
Co-operative News sales	<b>163,583</b>	150,174
Advertising & sponsorship	<b>147,171</b>	122,447
Other income	<b>611</b>	447
	<hr/>	<hr/>
	<b>311,365</b>	273,068
<b>Cost of sales</b>		
Printing costs	<b>84,898</b>	81,862
Other direct costs	<b>7,513</b>	9,188
Wages & salaries	<b>119,822</b>	114,165
Social security	<b>12,240</b>	11,380
Staff pension scheme costs	<b>7,249</b>	6,481
Other personnel expenses	<b>967</b>	550
	<hr/>	<hr/>
	<b>(232,689)</b>	(223,626)
<b>Gross profit</b>	<b>78,676</b>	49,442
<b>Administrative expenses</b>		
Pensioner retirement allowance	<b>228</b>	228
Directors' fees	<b>3,534</b>	3,100
Rent & rates	<b>9,591</b>	8,826
Insurance	<b>5,546</b>	5,102
Co-op domain names (website)	<b>640</b>	140
Internet costs	<b>11,824</b>	1,915
Repairs & renewals	<b>181</b>	42
Maintenance contracts	<b>1,109</b>	1,575
Postage	<b>515</b>	580
Stationery	<b>461</b>	1,033
Telephone	<b>321</b>	368
Computer costs	<b>117</b>	280
Motor expenses	<b>941</b>	1,266
Legal & professional fees	<b>25,760</b>	23,310
Auditors' remuneration	<b>4,000</b>	3,800
Other auditor fees	<b>1,650</b>	1,600
Bank charges	<b>516</b>	530
Board meeting expenses	<b>3,072</b>	4,606
Other meeting expenses	<b>3,744</b>	3,930
Staff expenses	<b>6,070</b>	4,716
General expenses	<b>3,374</b>	1,495
Charitable donations	<b>30</b>	-
Subscriptions	<b>730</b>	(21)
Depreciation of fixed assets	<b>4,643</b>	5,466
	<hr/>	<hr/>
	<b>(88,597)</b>	(73,887)
<b>Operating loss</b>	<b>(9,921)</b>	(24,445)

**Co-operative Press Limited**

**Detailed trading profit and loss account and expenses schedule  
for the year ended 29 February 2012**

	<b>2012</b>	<b>2011</b>
	£	£
<b>Other income and expenses</b>		
<b>Interest receivable</b>		
Bank & other interest receivable	<u>14,278</u>	<u>16,191</u>
	<u>14,278</u>	<u>16,191</u>
<b>Net profit/(loss) for the year</b>	<u>4,357</u>	<u>(8,254)</u>
	<u>4,357</u>	<u>(8,254)</u>

